

## Haiti 2009: Stability at Risk

### I. OVERVIEW

A series of crises in 2008 have increased the potential for serious trouble in Haiti this year. The politically motivated, violent April riots against high living costs caused widespread disruption and suffering, toppled the government of Prime Minister Jacques-Édouard Alexis and forced postponement of a donor conference. In August and September, four tropical storms and hurricanes killed 800, affected nearly one million, exacerbated food shortages and pushed yet more Haitians into poverty. Extensive damage was caused to infrastructure and agriculture. The global financial crisis is making it difficult for donors to meet commitments and reducing diaspora remittances. President René Préval and Prime Minister Michèle Pierre-Louis, who took office in September 2008, need to secure the support of donors and parliament quickly for a wide-ranging stabilisation strategy or risk political instability and violence. These are major challenges in a year in which parliamentary elections will be held and constitutional reform is on the agenda.

Almost half a year has passed since Pierre-Louis entered office, and Haitians are still waiting for an effective response to pervasive socio-economic, institutional and political challenges. There is an urgent need for broad political consensus and improved relations between the executive and legislative branches of government, as well as a government-donor-civil society partnership to kick-start a community-oriented reconstruction process. This includes building a social safety net for hurricane victims and jobs-oriented infrastructure projects that prioritise areas hard-hit by the floods, boosting agriculture and enhancing a longer-term poverty reduction and economic growth strategy.

The immediate focus should include:

- providing donors an operational reconstruction plan and then holding the long-postponed donors conference in April 2009 as planned. The plan should identify government-led, community-approved, high-impact and high-visibility projects to tackle key challenges such as food shortages and provide for close monitoring to ensure relevance, implementation and completion;

- building national ownership of reconstruction through active participation of the political and business sectors and civil society, particularly in the worst disaster-affected areas such as Gonaives, and doing a better job of holding non-governmental organisations (NGOs) in the field accountable for the delivery of project results;
- boosting security sector reform by speedily completing police vetting, setting judicial standards, relieving jail overcrowding, responding to pleas for helicopter interdiction of aerial drug smuggling and completing actions begun in 2008 to control Haiti's porous borders and corrupt and inefficient ports;
- working closer with parliament and improving transparency in handling emergency funds and carrying out reconstruction, including by providing frequent updates on government action and better articulating policies and strategies domestically and abroad; and
- strengthening democratic institutions and stabilisation efforts by holding elections that include all major parties to fill one-third of the senate's seats on 19 April and other elections in the timeframe foreseen by the constitution. Authorities should encourage the deployment as soon as possible of national and international observers to oversee not merely the polling but also pre-election preparations.

### II. THE POLITICS AND ECONOMICS OF STABILISATION

When President Préval and Prime Minister Alexis took office on 14 May and 6 June 2006, respectively, many believed it was a genuine opportunity to make headway on reestablishing and expanding security, reforming the police and judiciary, implementing macroeconomic stabilisation measures and controlling corruption.<sup>1</sup> The new government was welcomed by the international community, and although Préval's constituency was predominantly the poor, his program had wide appeal in

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<sup>1</sup> Crisis Group Latin America/Caribbean Briefing N°10, *Haiti after the Elections: Challenges for Préval's First 100 Days*, 11 May 2006.

the country. By early 2007, the Haitian National Police (HNP) and the UN Stabilisation Mission (MINUSTAH) had considerably improved security.

However, the government failed to consolidate the success in controlling the gangs in key urban slums by following through on the rapid provision of basic services in those neighbourhoods, in Cité Soleil partly because of implementation delays in the U.S. Haiti Stabilization Initiative.<sup>2</sup> The macroeconomic gains recorded since mid-2006 also did not translate into large-scale visible improvements for the poor before the devastating 2008 storms severely exacerbated the situation. Unfulfilled expectations, however unrealistic, have progressively undermined public confidence in the government.<sup>3</sup> Préval, who was initially silent as mobs trashed businesses during the April 2008 food riots, has been criticised for lack of leadership, although when he did speak three days later, the turmoil subsided.<sup>4</sup> But the current year's tests promise to be the most daunting yet for continued stabilisation: controversial elections; constitutional reform; the impact of the global financial crisis on the economy; food shortages; and, not least, the ongoing struggle to consolidate security sector reform.<sup>5</sup>

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<sup>2</sup> See Crisis Group Latin America/Caribbean Report N°28, *Reforming Haiti's Security Sector*, 18 September 2008. The Program for Social Appeasement (PAS, French acronym), central to the Préval/Alexis June 2006 government program, never took hold. In addition to settling civil servant salary arrears and compensating dismissed civil servants and ex-soldiers, it sought to invest \$50 million in social projects in the poorest, most volatile communities. That concept disappeared from government discourse after the July 2006 donors conference. Crisis Group interviews, diplomats, Port-au-Prince, 12 September, 5, 7, 10 November, 10 December 2008. Some international observers suggested slow donor disbursements contributed to PAS's failure. Some donors indicated that many of its projects were implemented, but there was no coordinated follow-up nor an overall program report.

<sup>3</sup> Ibid; and Crisis Group Briefing, *Haiti after the Elections*, op. cit.

<sup>4</sup> The riots started on 7 April and subsided only after Préval addressed the nation three days later, and MINUSTAH took more forceful actions. The business sector, which suffered significant losses, has filed a civil suit for damages. Crisis Group interview, former international private sector consultant, Port-au-Prince, 5 December 2008.

<sup>5</sup> President Préval forecast a difficult year in his New Year's address to the nation. Special Representative of the UN Secretary-General Hédi Annabi also anticipated difficulties in his 8 January 2009 press conference.

## A. THE PREVAL/PIERRE-LOUIS GOVERNMENT

The new government has a solid foundation of knowledge and experience. The prime minister comes with over 30 years experience working in both the public and private sectors, in both rural and urban areas, and is well attuned to the country's myriad problems through her civil society activity.<sup>6</sup> She has worked closely with youth, women and the peasantry, sectors of the population that are key for Haiti's social and economic development. She took office at a time when it is crucial to include them in a collective effort to address deep-seated and manifold problems.<sup>7</sup> Additionally, the prime minister retained seven ministers and several state secretaries and directors general from the former Alexis government, seeking to maintain a degree of continuity in the administration.<sup>8</sup>

Before taking office in September 2008, Pierre-Louis requested a six-month grace period, through February 2009, in which to formulate a comprehensive policy framework.<sup>9</sup> This was based on the understanding that Haiti's longstanding problems of weak justice and public security, economic decline, worsening poverty, and chronic unemployment require a clear strategy – and the political support to implement it – if they are to be tackled more effectively than in the past. On 2 December 2008, the executive presented a roadmap of planned government action. The prime minister's sector plan for fiscal year 2008-2009, annexed to that docu-

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<sup>6</sup> Michèle Pierre-Louis served from 1995 to 2008 as executive director of FOKAL (acronym in Creole, Fondasyon Konesans Ak Libète), the Open Society Institute foundation in Haiti. See [www.fokal.org](http://www.fokal.org). She has been described as a hands-on community leader and organiser of national scope and also held managerial positions at the National Airport Authority (1979-1982) and in Haiti's private finance sector (1976-1979, 1983-1984). Crisis Group interviews, Haitian professionals, Port-au-Prince, 3 and 11 October 2008. See also Franck Laraque, "Haiti – Premier Ministre: Michèle Duvivier Pierre-Louis prise entre la diabolisation et la béatification", *Alterpresse*, 12 July 2008, [www.medialternatif.org/alterpresse/spip.php?article7457](http://www.medialternatif.org/alterpresse/spip.php?article7457).

<sup>7</sup> Crisis Group interview, senior government official, Port-au-Prince, 5 December 2008. Under Pierre-Louis's direction, FOKAL chose to support sectors of society most likely to bring about social change: youth, and the historically marginalised, women and peasants. See [www.fokal.org](http://www.fokal.org).

<sup>8</sup> Two former secretaries of state for agriculture have been named to speed up reforms in vegetable and animal production.

<sup>9</sup> Crisis Group interviews, young Haitian professionals, Port-au-Prince, 3 and 11 October 2008. See also "Nouvelle première ministre réclame un moratoire de 6 mois", *Agencia Latinoamericana de Información*, 31 August 2008, <http://alainet.org/active/26058&lang=pt>.

ment, offers a strategy to stimulate national economic growth and reduce poverty. Its focus is on sustainable and integrated national planning and development, increasing economic efficiency and national production, reducing social and economic inequalities, developing human capital, reducing and managing environmental vulnerability, improving justice and public security and modernising fiscal management.

In spite of Pierre-Louis's efforts to tackle problems in a structured manner and communicate her moves to the public, politicians and civil society alike continue to express uncertainty about the country's direction.<sup>10</sup> She has been a more visible head of government than her predecessor, but many who accuse President Préval of micromanaging the government have criticised her for not being sufficiently assertive toward him.<sup>11</sup> Communication with the population and parliament and within the executive, though still poor, is improving,<sup>12</sup> but both president and prime minister need to be more active in developing the support needed in parliament with parties that have demonstrated less organised opposition<sup>13</sup> and by reaching out to special interest groups, particularly those focused on community development.

Opposition parties say the prime minister's political honeymoon is over, and she has failed to take advantage of the opportunity she enjoyed in September 2008 to enlist continued and broad support for storm recovery and reconstruction, as well as her government strategy. Pierre-Louis's swift move to respond to storm devastation by disbursing \$197 million from the Venezuelan-backed PetroCaribe program<sup>14</sup> was widely welcomed, but the impact was short-lived.<sup>15</sup> Her 2

December report on use of that emergency fund drew criticism from former supporters. Since then, the government has been increasingly criticised for lack of leadership on storm recovery efforts in the field and a lack of innovation in its strategies.<sup>16</sup>

The continued inability to provide adequate, visible responses to the deteriorating situation of the poor makes it easy for spoilers to exploit desperation and often appalling living conditions for both personal and political gain.<sup>17</sup> This was apparent during the April 2008 protests, which swiftly turned violent.<sup>18</sup> Crisis Group

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crossroads as donations dry up and upheaval looms", *The Miami Herald*, 14 January 2009.

<sup>16</sup>Two main donors complained of government delays and vague information on areas the emergency fund would cover. Crisis Group interviews, donor representatives, Port-au-Prince, 5, 7 November 2008. Pierre-Louis reported that \$143 million of \$197 million had been disbursed. "143 millions décaissés dans le cadre de l'état d'urgence", [www.metropolehaiti.com](http://www.metropolehaiti.com), 3 December 2008. Myrlande Manigat, wife of ex-President Leslie Manigat, herself an ex-senator, potential 2010 presidential candidate and secretary general of Rassemblement des démocrates nationaux (RDNP), supported Pierre-Louis for prime minister in July but later strongly criticised her, saying her government was no different than its predecessors: "It acted solo". "Myrlande Manigat critique les membres de la CPP", [www.metropolehaiti.com](http://www.metropolehaiti.com), 9 July 2008; "Le RDNP critique le gouvernement de Michèle Pierre-Louis", [www.metropolehaiti.com](http://www.metropolehaiti.com), 2 December 2008; Jean Phares Jérôme, "Une feuille de route présentée à huis clos", *Le nouveliste*, 2 December 2008.

<sup>17</sup>Crisis Group interview, senior government official, Port-au-Prince, 5 December 2008. Over 70 per cent of the population lives on less than \$1 a day. "Rapport d'évaluation des besoins après désastre cyclones Fay, Gustave, Hannah et Ike", government of Haiti, 28 November 2008. The April protests, which began in Les Cayes, a known drug transit point in the south four hours from Port-au-Prince, were manipulated by local traffickers to create chaos, distract the police and ease the entrance of drugs, as well as mask the release of six allies detained in the local police station. In the metropolitan area, residents of the troubled Saint Martin neighbourhood told Crisis Group in May 2008 they were offered incentives to create disturbances. Supporters of ex-President Aristide have also been suspected of taking advantage to embarrass the Préval government and renew calls for his return. Other national and international observers contended the riots were masterminded by rivals to unseat Prime Minister Alexis and thwart his possible presidential ambitions. Crisis Group Report, *Reforming Haiti's Security Sector*, op. cit.

<sup>18</sup>For background on the April riots, see Crisis Group Report, *Reforming Haiti's Security Sector*, op. cit. A senior government official cited the 2001-2004 events leading to the ouster of Aristide as another time when the poor were used as a "force de frappe". Crisis Group interview, Port-au-Prince, 5 December 2008. Local political analysts have provided accounts of payments in 2004-2006 to armed gangs in Cité Soleil, Lower Delmas and other poor neighbourhoods by busi-

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<sup>10</sup>Crisis Group interviews, civil society group, Pétion-Ville, 6 November 2008, opposition party leader, Port-au-Prince, 23 January 2009.

<sup>11</sup>She is often seen as simply an implementer of the president's decisions, not a decision-maker. Crisis Group interviews, political party leader, civil society representative, opposition party leader, Port-au-Prince, 17 October, 6 November 2008, 23 January 2009.

<sup>12</sup>Crisis Group interviews, cabinet member, Port-au-Prince, 2 October 2008, parliamentarian, Port-au-Prince, 28 October 2008.

<sup>13</sup>Pont, Alyans, Union and OPL (though it pulled out of negotiations to form the cabinet in August 2008) have been less aggressive in their opposition to the government.

<sup>14</sup>In May 2006, Haiti became the sixteenth member of the PetroCaribe program, a 2005 initiative of Venezuelan President Hugo Chávez under which Caracas delivers oil daily at preferential prices to Haiti, which the government resells to the private sector at market price. The resulting revenue goes into the fund on which the government drew to respond to the 2008 storms.

<sup>15</sup>Crisis Group interview, opposition party leader, Port-au-Prince, 23 January 2009. See Jacqueline Charles, "Haiti at a

previously identified the current spoilers as “often overlapping categories of drug traffickers, corrupt politicians, gang remnants, as well as a small segment of the oligopolistic entrepreneurs and business owners whose affairs continue to thrive under insecurity and a weak government”.<sup>19</sup>

## B. ELUSIVE POLITICAL CONSENSUS

On 5 August 2008, five of the six parties in the former Alexis government<sup>20</sup> met with Préval and Pierre-Louis, whom parliament had confirmed as prime minister a few days earlier, to discuss the new government’s program and ways of integrating them into the new cabinet. Though Préval did not favour the idea, a governance pact was discussed. However, no agreement was reached.<sup>21</sup> In the current cabinet, only the public health and environment ministers, Alex Larsen and Jean-Marie Claude Germain, are associated with parties other than the ruling Lespwa grouping.<sup>22</sup> The parties no longer part of the cabinet continue to harbour resentments and are reluctant to support the Préval/Pierre-Louis government program.

2009 being an election year will make it even more difficult for the president and his prime minister to build political consensus and mobilise broad national

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ness owners and political leaders to create insecurity. Crisis Group interview, political analyst and journalist, Port-au-Prince, 28 October 2008 and 24 January 2009. This was one of the worst periods of insecurity, with 500 reported kidnappings involving more than 700 persons in 2006 alone.

<sup>19</sup> Crisis Group Report, *Reforming Haiti’s Security Sector*, op. cit.

<sup>20</sup> Lespwa, Fusion des sociaux démocrates, Organisation du peuple en lutte (OPL), Alyans, Union, and Fanmi Lavalas were in the Alexis government, but Lavalas did not participate in negotiating the pact. Crisis Group interviews, opposition party leader, Port-au-Prince, 17 October 2008, opposition party legal counsel, Port-au-Prince, 2 February 2009.

<sup>21</sup> The governance pact includes propositions on the socio-economic crisis, reinforcement of state authority, particularly with regard to justice and public security, strengthening of democracy and the rule of law, constitutional reform, enhanced collaboration between political parties and the executive and formation of a coalition government in proportion to party representation in parliament. Crisis Group interview, opposition party leader, Port-au-Prince, 17 October 2008.

<sup>22</sup> Crisis Group interviews, political leader, Port-au-Prince, 17 October 2008; young professional, Port-au-Prince, 3 October 2008; political party leader, Port-au-Prince, 23 January 2009. Two opposition party leaders told Crisis Group that Fusion and Union have one minister each. OPL pulled out of cabinet negotiations in August 2008. Opposition leaders have also contended that President Préval meddled in parties’ selection of representatives by stating his preferences for ministers.

support for stabilisation measures. In the past months, criticism of the lack of coherence in government actions has been mounting from parliament, opposition party leaders and civil society groups. To build much needed political consensus, in the beginning of 2009 Préval, Pierre-Louis and Kely Bastien, the speaker of the senate, united in an appeal for national consensus and dialogue.<sup>23</sup> While a step in the right direction, the government still needs to devise more effective ways of dealing with a weak, fractious and splintered parliament.<sup>24</sup> This is all the more urgent because of the need to pass the 2008-2009 national budget rapidly and adopt the legislative agenda that was identified in December 2008 at a seminar with international support.<sup>25</sup> The budget proposed by the executive – \$256.4 million, 60 per cent to be financed by donors – is currently blocked in parliament, where both chambers have asked for revisions.<sup>26</sup>

The debate on constitutional reform expected to commence in June during the second parliamentary session stands to raise further divisive and sensitive issues.

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<sup>23</sup> “‘2009 sera difficile’, Préval dicit”, [www.lenouvelliste.com/article.php?PubID](http://www.lenouvelliste.com/article.php?PubID), 5 January 2009.

<sup>24</sup> Parliament often lacks experienced members capable of formulating national policies. Many parliamentarians maintain no allegiance to parties once seated, so parliamentary caucuses are difficult to form. Crisis Group interview, international political party expert, Port-au-Prince, 8 December 2008.

<sup>25</sup> The agenda results from a 9-10 December 2008 seminar organised with Canadian Parliamentary Centre, MINUSTAH Civil Affairs and USAID-SUNY (State University of New York) parliamentary support project help. It provides the government and parliament an agreed framework within which to work. The agenda, which applies to the first 2009 parliamentary session (January-May), includes items such as the treaty on port safety and bills on the customs code and anti-corruption. Crisis Group interviews, political parties trainer, parliamentary support project officer, Port-au-Prince, 8, 10 December 2008 respectively.

<sup>26</sup> On 22 January, the senate suspended work on the budget and asked the executive to revise it. “Le sénat suspend l’analyse du budget jugé incohérent”, <http://radiokiskeya.com/spip.php?article5615>. A principal disagreement concerns a new telecommunications tax that parliamentarians argue would hurt the general population. On 28 January, the lower house followed suit. Members requested that the executive report on the emergency fund, give more detailed information on local revenue and drop the new tax. The government still supports the tax but accepts that it as well as a new passport tax are highly unlikely to be adopted this year. Canada is to give \$15.9 million to modernise the inland revenue and customs authorities and enhance tax collection. Crisis Group interview, IMF resident representative, Port-au-Prince, 10 December 2008. The government loses considerable revenue due to weak tax collection, and an improved capacity is one of the structural adjustments it must make to benefit from debt relief.

While there is agreement on the need for constitutional reforms related to dual nationality in order to encourage more participation of the diaspora in the country's political life, the longstanding public security and political stabilisation question of whether to reinstate the disbanded and discredited army remains highly controversial.<sup>27</sup> The head of the Senate Commission on Justice and Public Security, Senator Youri Latortue, a former colonel, strong critic of the government and likely presidential candidate in 2010, is a leading advocate of reinstatement. Préval's Presidential Commission for Reflection on National Security (Commission présidentielle de réflexion pour le renforcement de la sécurité) has not completed its research and presented its conclusions due to lack of access to key bodies, including Latortue's senate commission.<sup>28</sup> The issue will spark political debate as long as insecurity persists.

### C. ELECTIONS

Elections to renew the first third of the senate planned for April 2009, as well as the November polls to renew the second third of the senate and elect the 99 members of the lower house,<sup>29</sup> are key to sustaining political stability. The April elections will largely determine whether the current administration will have support in its final year and a half to advance reconstruction and development ahead of the 2010 presidential contest,<sup>30</sup> as well as influence this year's constitutional

reform debates.<sup>31</sup> The senate has operated with less than two-thirds of its legal membership since the terms of the first ten senators – three from the ruling Lespwa party – ended in early 2008, further reducing parliamentary support for the Préval administration.<sup>32</sup> Two-thirds approval in each chamber is needed to put a requirement for a specific constitutional amendment on the legislative agenda. The elections present the government an opportunity to strengthen its power in the upper chamber, but to obtain a commanding two-thirds majority in April, it would have to win all twelve seats at stake.

The capacity of Haiti's otherwise weak political parties to organise large demonstrations poses a constant threat to stabilisation efforts.<sup>33</sup> Those staged by Préval supporters immediately following the 7 February 2006 presidential elections, for example, paralysed life in the capital for nearly a week, contributing to the decision to apply a new formula for treating blank votes that allowed Préval to avoid a run-off round.<sup>34</sup> More dramatically, the instability arising from competing and often violent demonstrations by supporters and opponents of then President Jean Bertrand Aristide after the 2000 legislative elections created a two-year impasse that fueled the 2004 uprising and Aristide's exile.<sup>35</sup> At the current critical juncture, it is of utmost importance to hold the elections as soon as possible and in an environment of tranquility and transparency. This is key to persuade donors and investors to keep and increase their commitments to Haiti.

The Provisional Electoral Council (CEP, in French) has established an electoral calendar and has assured the electorate that the elections are technically on stream, but the delays in recent weeks in finalising the list of candidates have forced postponements in the preparation of ballot templates. Concerns have also been expressed about local technical capacity to print the

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<sup>27</sup> The Haitian Armed Forces (FAD'H), which carried out a coup against the constitutional Aristide government in 1991, was disbanded by presidential decree upon Aristide's return from exile in 1994. During the three-year rule of the de facto regime, an estimated 4,000 civilians were killed. See Crisis Group report, *Reforming Haiti's Security Sector*, op. cit.

<sup>28</sup> Crisis Group interview, senior official, Presidential Commission for Reflection on National Security, Port-au-Prince, 4 February 2009. See Crisis Group report, *Reforming Haiti's Security Sector*, op. cit.

<sup>29</sup> Municipal and local elections, due every four years, are also likely to be held in November 2009.

<sup>30</sup> The CPP (Concertation des parlementaires progressistes), the largest parliamentary bloc, is reportedly acting in the interest of former Prime Minister Jacques-Édouard Alexis. It allegedly blocked Préval's first two choices for prime minister (Bob Manuel and Eric Pierre) in 2008 in retaliation for Alexis's dismissal by the senate. Along with other factions – party- or personality-led – it seeks separate deals in negotiating approval of everything from the budget to donor project endorsements and selection of ambassadors (many in office since the 2004-2006 transitional government). Crisis Group interviews, Haitian politics expert, Washington DC, 5 December 2008 and 22 January 2009; opposition party leader, Port-au-Prince, 17 October 2008.

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<sup>31</sup> Crisis Group interview, international parliamentary expert, Port-au-Prince, 5 December 2008.

<sup>32</sup> In addition to the ten senators whose terms ended, one senator (Lespwa, Artibonite) died in 2007 and another (Fusion, North East) was excluded in March 2008 as a dual national. Of the eighteen senators currently seated, only eight are from Lespwa.

<sup>33</sup> Crisis Group interview, international political party trainer, Port-au-Prince, 8 December 2008.

<sup>34</sup> Crisis Group interviews, international political party trainer, Pétion-Ville, 8 December 2008, local political analyst and journalist, Pétion-Ville, 24 January 2009. For more detail see Crisis Group Briefing, *Haiti after the Elections*, op. cit.

<sup>35</sup> Crisis Group interviews, international political party trainer, Pétion-Ville, 8 December 2008, local political analyst and journalist, Pétion-Ville, 24 January 2009.

ballots on time.<sup>36</sup> Money is available, and the UN Development Programme (UNDP), the institution responsible for managing election funds provided by donors, should complete recruitment for the fund manager who will be responsible for coordinating disbursements with the CEP.<sup>37</sup> Likewise, the CEP needs to coordinate closely with the National Identification Office (ONI) and the Organisation of American States (OAS) to ensure timely publication of voter lists and printing and distribution of 700,000 national identification cards. Logistics and security have to be worked out with MINUSTAH and the HNP.

Nevertheless, even if the CEP keeps to its technical calendar, the country will go to polls that are surrounded by controversy, which could lead to violence during the campaign or on election day and challenges to the results. The electoral law provides for registration of candidates of good repute, but it is the CEP's responsibility to interpret that mandate in a sensible, widely-accepted fashion. Seventy-eight candidates, none from Fanmi Lavalas, are on the final list announced by the CEP on 17 February. On 5 February, the CEP had published a first list that accepted 65 of the 105 who registered, but its exclusion of all those from Lavalas was criticised, and it quickly authorised an extension so that rejected candidates could appeal.<sup>38</sup> Lavalas is

currently split into several factions, two of which sought to offer slates under the same party banner in three constituencies. The registered party representative remains ex-President Aristide, and no faction was successful in persuading the CEP to authorise its candidates to stand for election, though they were able to register the party.

The exclusion of Lavalas, the party with the broadest base among the electorate, from the polls is likely to have serious implications for political stability. National opinion is divided over that exclusion, and the international community has encouraged inclusive elections. All political turmoil in Haiti since 1987 has been related to challenges of elections over fraud or alleged fraud.<sup>39</sup> One Lavalas parliamentarian has already announced that he will seek to block senators elected in April from taking their seats. Its internal regulations give the upper chamber that power. Less than two months away from the polls, the authorities should attempt to remedy the exclusion of Lavalas, whose sympathisers are still among the largest political groupings in the country, as well as encourage the deployment as soon as possible of national and international observers throughout the country to monitor the pre-electoral phase.

#### D. THE SOCIAL AND ECONOMIC CONTEXT

The government seeks to mobilise domestic resources and generate growth, reduce poverty and improve living conditions by increasing tax collection and spending on basic social services. Economic growth since 2006, though improved, has been insufficient to prompt a significant improvement in living conditions.<sup>40</sup> Socio-economic fragility in Haiti is longstanding, and recurring political instability during the past two decades coupled with what has become severe yearly natural

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<sup>36</sup>The 2008 electoral law stipulates that the ballots be printed locally. Previous elections bids were awarded to local companies which had the printing done in the Dominican Republic. The CEP calendar foresees ten days, 9 to 19 March, for printing ballots and poll return forms.

<sup>37</sup>A memorandum of understanding for financing the elections was signed on 23 January 2009 between the government, the CEP, the U.S., Canada, the EU and Brazil. "Signature de l'accord de financement des élections avec les bailleurs de fonds internationaux", United Press, 24 January 2009, at <http://haitipress.net63.net/?=922>. The cost of the first round of the senatorial elections in April and possible run-offs in June is estimated at \$16 million, \$5.5 of which has already been set aside by the government. Haiti has a two-round absolute majority election system, in which a winning candidate must receive 50 per cent plus one of the votes cast. Crisis Group interview, Frantz Verret, CEP president, Delmas, 4 December 2008.

<sup>38</sup>The National Network for Human Rights Defence (RNDDH in French) issued on 3 February a list of nine preliminary candidates, including Guy Philippe, the 2004 rebel leader sought by the U.S. Drug Enforcement Administration (DEA), and seven others associated with the Fanmi Lavalas party, who either had been arrested and detained on charges of serious crimes or had been the target of public allegations. The list also included a former Lavalas interior minister, Jocelerne Privert, who was imprisoned during the transition government of 2004 to 2006. Privert was rejected by the CEP because he did not submit the mandatory proof of discharge from his public managerial positions, even though more than

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a year ago he had requested from Inland Revenue (DGI in French) the discharge documentation and showed proof of the temporary discharge that DGI normally issues while processing such a request.

<sup>39</sup>Crisis Group interviews, Haitian political analyst, Washington DC, 5 December 2008, 22 January and 18 February 2009. Likely consequences of non-participation by Lavalas could be disruption of the preparations for elections and violence during the campaign. There would also be a potential for violence on election day. These would all have negative consequences for Haiti's stability and its relations with Latin American contributors to MINUSTAH and donors, including the possibility for a successful donors meeting to finance reconstruction.

<sup>40</sup>In 2006, Haiti's economy grew by 2.5 per cent; in 2007 economic performance remained stable at 3.2 per cent. Crisis Group interview, senior ministry of economy and finance staff, Port-au-Prince, 23 October 2008.

destruction is making it even more difficult to build foundations for sustainable economic development. The political and economic shocks that hit the country in 2008 have not only worsened already dire economic conditions for a large majority of Haitians, but have also hindered the full implementation of the government's strategy. Socio-economic circumstances today are worse than at the time of the April 2008 riots, and if not strategically addressed, hold a clear potential for renewed destabilisation.

At the time of those riots, the price of imported rice had increased by more than 60 per cent in a half year, while that of corn had risen by 91 per cent, and the National Coordination for Food Security (CNSA) was reporting that 2.5 million Haitians were in need of food aid.<sup>41</sup> In September, following the storms, another 800,000 were in dire need of assistance, bringing the number of those threatened by food insecurity to 3.3 million, a third of the population.<sup>42</sup> Prior to the economic shocks of 2008, 76 per cent of Haitians – some 4.4 million persons – lived on less than \$2 a day and 56 per cent on less than \$1. With close to one million persons affected by the storms, the number living in extreme poverty is likely to have increased, but figures are not yet available. 80 per cent of the population has access to only 32 per cent of the country's revenue. Only 30 per cent of the low quality health care provided is public, and 72 per cent of the population does not have access to any kind of health care.<sup>43</sup>

The circumstances of even more Haitians will worsen in 2009, as remittances from the diaspora are expected to drop in the face of the financial crisis hitting the countries where it is concentrated. Some 1.1 million adults in Haiti depend monthly on such remittances to cover basic expenses. Half the families benefiting from overseas money transfers survive on incomes of less than \$500 a year. In 2006, remittances amounted to \$1.65 billion, over 30 per cent of gross national prod-

uct. Of this, \$1.17 billion came from the U.S., \$230 million from Canada and \$130 million from France.<sup>44</sup>

In the absence of programs for rural areas, 75,000 flock yearly from the countryside to the capital in search of work and to reside in already overcrowded neighbourhoods.<sup>45</sup> Port-au-Prince now holds 25 per cent of the country's population. Without swift implementation of programs in both rural and urban areas to alleviate harsh living conditions, the potential for violent social upheaval is real.

GDP growth for 2008 had been forecast at 3.7 per cent and inflation at 9 per cent, but following the April riots, escalating food prices, the devastating hurricane season and the onset of the global financial crisis, growth was forced down to 1.5 per cent, while inflation reached 13 per cent in 2008, about a third higher than 2007.<sup>46</sup> Despite gradual drops in fuel and food prices in November-December, inflation is expected to remain high. This will hurt above all the poor, due to reduced availability of food through at least mid-2009.<sup>47</sup>

In November 2007, the government completed and approved its Poverty Reduction Strategy Paper (PRSP),<sup>48</sup>

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<sup>44</sup>“Remittances to Haiti topped \$1.65 billion in 2006, says IDB fund”, Inter-American Development Bank, 5 March 2007, [www.iadb.org/news/detail.cfm?language=English&id=3637](http://www.iadb.org/news/detail.cfm?language=English&id=3637).

<sup>45</sup>“Environmental Vulnerabilities in Haiti: Findings and Recommendations”, Chemonics International, Inc. and U.S. Forest Service, U.S. Agency for International Development (USAID), April 2007.

<sup>46</sup>[www.cepal.org/noticias/noticias/1/34991/2009-16-The\\_reaction\\_of\\_LAC\\_governments\\_WEB.pdf](http://www.cepal.org/noticias/noticias/1/34991/2009-16-The_reaction_of_LAC_governments_WEB.pdf). Crisis Group interview, IMF resident representative, Port-au-Prince, 22 October 2008; “Haiti: Supplemental Memorandum on Economic and Financial Policies”, ministry of economy and finance, 9 June 2008. Already weak government tax collection was badly affected by the April riots. Crisis Group interview, IMF resident representative, Port-au-Prince, 22 October 2008; IMF, World Bank Group Board of Governors 2008 Annual Meetings, Washington DC; statement at the joint annual discussion by Minister of Finance Dorsainvil, 13 October 2008. Storm damages and losses to agriculture alone amounted to some \$198 million.

<sup>47</sup>In the interim, food availability will heavily rely on aid and imports. Crisis Group interview, director CNSA, Port-au-Prince, 24 October 2008.

<sup>48</sup>The document is structured around three strategic pillars: enhancing human development by improving basic services; promoting growth, particularly agriculture, tourism and infrastructure; and democratic governance, with emphasis on improving justice and public security. It also stresses the importance of macroeconomic stability and firm management of public resources. The power of such a document lies in the consultative approach to its preparation, which should include participation of all sectors of society. The government's consultations have drawn criticism for insufficient inclusive-

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<sup>41</sup> Rice, beans, flour and corn are among Haiti's staples; they saw price increases between 42 and 91 per cent from the last quarter of 2007 to April 2008. Crisis Group interviews, World Food Programme (WFP) representative, Gonaives, 21 October 2008, CNSA national coordinator, Delmas, 24 October 2008.

<sup>42</sup>Crisis Group interview, CNSA national coordinator, Delmas, 24 October 2008. In February 2009, the CNSA announced a reduction in the number of persons at risk of food insecurity to three million. “Perspectives sur la sécurité alimentaire No. 20: Bulletin de conjoncture”, [www.cnsahaiti.org](http://www.cnsahaiti.org), February 2009.

<sup>43</sup> Figures provided by the ministry of planning and economic cooperation at [www.mpce.gouv.ht/dsnrcrpfinal.pdf](http://www.mpce.gouv.ht/dsnrcrpfinal.pdf).

as part of the requirements to qualify for relief of over \$1 billion in multilateral debt under the World Bank's Heavily Indebted Poor Countries and Multilateral Debt Relief Initiative.<sup>49</sup> The PRSP serves as a roadmap for strengthening social services, expanding infrastructure and cultivating potential growth and development areas, as well as the basis for donor assistance. It requires \$3.8 billion between 2007 and 2010.<sup>50</sup> The Post-Disaster Needs Assessment (PDNA) the government conducted after the storm devastation should allow adjustment to sector action plans so the PRSP can adequately reflect the worsened socio-economic situation. However, the April 2008 riots deferred presentation of the PRSP to donors, a session only recently rescheduled for April 2009. Launching it is critical for donors such as the EU and Canada, who require a framework for disbursing funds through the planning ministry.<sup>51</sup>

### III. SECURITY

At the end of 2008, the Haitian National Police and MINUSTAH were hopeful that they were finally getting a grip on common crime. With the help of the population, kidnappings were down from 2006-2007, and their increased patrols and search-and-go roadblocks were providing deterrence in metropolitan areas, where insecurity continued to be primarily concentrated.

The violence in Port-au-Prince and other cities in April 2008, however, underlined the still fragile nature of the security gains since President Préval's May 2006 inauguration. The riots showed that the HNP is not yet fully capable of maintaining public order and ensuring stability. This notwithstanding, police numbers increased from 1,500 in March 2004 to 8,300 in November 2008,<sup>52</sup> and the 20th and 21st academy classes are scheduled to complete seven-month courses and bring that total to approximately 9,500 by mid-2009.<sup>53</sup> HNP Director

ness. It has published descriptions of the process followed, which includes advocacy and dialogue through workshops and a participation phase based on civic forums at the communal, departmental and national levels. See [www.mpce.gouv.ht/dsncrpfinal.pdf](http://www.mpce.gouv.ht/dsncrpfinal.pdf) for detailed information.

<sup>49</sup> Crisis Group interviews, senior government official, Port-au-Prince, 2 October 2008, IMF resident representative, Port-au-Prince, 22 October 2008.

<sup>50</sup> See [www.mpce.gouv.ht/dsncrpfinal.pdf](http://www.mpce.gouv.ht/dsncrpfinal.pdf) for detailed information.

<sup>51</sup> Crisis Group interview, donor resident representative, Port-au-Prince, 10 December 2008.

<sup>52</sup> Crisis Group interview, chief of staff, office of the chief of police, Port-au-Prince, 4 November 2008.

<sup>53</sup> The HNP and UN police (UNPOL) give conflicting numbers for cadets in training. In November 2008, HNP told Cri-

General Mario Andrésol announced in January that between October 2008 and October 2009, 2,400 cadets will have completed training.<sup>54</sup> If the HNP achieves these ambitious goals, it will be on its way to meet its target of 14,000 in 2011.<sup>55</sup>

However, the proposed budget for fiscal year 2008-2009<sup>56</sup> foresees only relatively small funds for the HNP.<sup>57</sup> Andrésol considers them insufficient to address crucial tasks, including rehabilitation of police infrastructure, accelerated recruitment and training and prison refurbishment.<sup>58</sup> He is concerned about cuts in the purchase of arms and ammunition and other materiel, as well as fire department equipment, while priority is being given to investment in police infrastructure and refurbishing the Port-au-Prince prison to reduce overcrowding by 10 per cent. The 2008 hurricane season had serious consequences for the entire justice and public security sector. Stations, jails and courts were damaged across the country; police vehicles were swept away by flood waters, further weakening capacity to handle public security threats.<sup>59</sup>

The HNP's increased numbers and greater field visibility have boosted public confidence in the institution. Reported cases of kidnappings have been reduced from 55 in January 2008 alone to eleven in the period 1 January to 19 February 2009. Nonetheless, in the same period authorities registered 509 cases of crime (as compared to 389 in January-February 2008); reported crimes rose from 1,079 in 2007 to 2,847 in 2008.<sup>60</sup>

sis Group that the 21st class had 700 cadets; in January 2009, UNPOL estimated fewer than 500. Crisis Group interviews, HNP director general's office, Port-au-Prince, 4 November 2008, UNPOL, Pétion-Ville, 19 January 2009.

<sup>54</sup> See "La somme allouée à la PNH pour l'exercice fiscale 2008-2009 est insuffisante, selon Mario Andrésol", <http://haitipressnetwork.com/newsprint.cfm?articleID=11228>, 20 January 2009.

<sup>55</sup> Crisis Group interview, UNPOL, 19 January 2009.

<sup>56</sup> Haiti's fiscal year runs from 1 October to 30 September.

<sup>57</sup> \$153 million, according to information provided by the ministry of the economy and finance. Crisis Group communication with ministry official, Port-au-Prince, 26 February 2009.

<sup>58</sup> See "La somme allouée", *op. cit.*

<sup>59</sup> Crisis Group interview, HNP, Port-au-Prince, 4 November 2008. In Gonaïves, the HNP could not fully focus on rescues because it had to evacuate prisoners held underground at the station (there is no prison), then guard them on an unsecured upper level for more than 24 hours. Crisis Group interviews, HNP, Gonaïves and Port-au-Prince, 21 October and 4 November 2008.

<sup>60</sup> "2009 Country Wide Reported Crime Summary", MINUSTAH, 19 February 2009. Crisis Group interview, UNPOL, Pétion-Ville, 19 January 2009. Reported crimes include kidnapping, murder, lynching, rape, assaults, domestic violence, robbery and theft.



According to UN observers, this reflects citizens' greater willingness to report crime and is not indicative of a deteriorating overall security situation.<sup>61</sup> UN police (UNPOL) and the UN Secretary-General's special representative (UNSRSG), Hédi Annabi, attribute the decrease in widespread insecurity in 2008, despite kidnappings, to the growth of the HNP, its better collaboration with MINUSTAH and more cooperation from the population.<sup>62</sup>

With MINUSTAH support, the HNP moved more aggressively against drug trafficking in 2008. The authorities confiscated 27 properties of drug dealers, discovering in the process a reported \$2 million at the Port-de-Paix home of relatives of Alain Désir, who was recently extradited to the U.S. on trafficking charges.<sup>63</sup> However, scandals involving court officials and police theft from that seized money marred the operation and highlighted the need to speed up training and vetting of all justice sector personnel.

Efforts to control contraband, drugs and other illicit traffic crossing Haiti's land, air and sea borders should be strengthened in 2009. Between late September and early October 2008, the HNP took over responsibility for security at the Toussaint L'Ouverture International Airport in Port-au-Prince from the Airports Authority. More U.S. cooperation against drug trafficking could significantly strengthen weak air patrols, in particular if Washington, in cooperation with HNP and MINUSTAH, would deploy helicopters for interdiction permanently or at least on a frequent and unannounced basis. Such deployments helped cut air smuggling when tested in 2007. The U.S. State Department's 2009 International Narcotics Control Strategy Report (INSCR), issued on 27 February, cited rising smuggling of drugs by air but did not discuss the refusal of Préval's requests for helicopter deployments.<sup>64</sup>

Now that MINUSTAH has completed deployment of sixteen patrol boats provided by Uruguay, it should seek closer coordination of patrols with the HNP. Canada has given UNDP \$5.7 million to build a new maritime base in Les Cayes.<sup>65</sup> Sixty serving HNP officers are to be trained in maritime service to run the base, which is expected to become operational in October 2009, when the first fleet of five 40-foot patrol boats is scheduled for delivery. Coast Guard bases at Port-de-Paix, Cap-Haïtien and the capital are also being expanded in U.S.-financed projects. Additional bases in the south east (Jacmel) and north east (Fort Liberté) will be built once funding is identified.

All HNP stations in border areas are to be refurbished and re-equipped through another Canadian-financed project, whose funding should be approved shortly, while 330 cadets scheduled for July or August graduation are to be specially trained to man the force.<sup>66</sup> Improved border control would mean both better security and more badly needed tax revenue.

#### IV. CHALLENGES IN 2009

The government's primary challenge is to keep Haiti on the path to social and economic stability and improved security despite increased poverty. Macroeconomic advances must be sustained: they are tied to more than \$1 billion in debt relief by mid-2009 and are the basis for the increased foreign investment needed for job creation. But socio-economic relief for the most vulnerable sectors of society – more than 70 per cent of the population – is equally important. The government will be hard-pressed to strike a balance between meeting humanitarian, security, reconstruction and development needs while safeguarding macroeconomic stability.

<sup>61</sup> Ibid.

<sup>62</sup> Press conference, UNSRSG Hédi Annabi, Port-au-Prince, 8 January 2009.

<sup>63</sup> Crisis Group interview, UNPOL, Pétion-Ville, 19 January 2009.

<sup>64</sup> Crisis Group has consistently supported such helicopter deployments. "In 2008, traffickers continued to use small aircraft to make offshore air drops of illegal drugs as well as land deliveries using clandestine airstrips. At least 29 such landing strips have been identified. Suspect[ed] drug flights from Venezuela increased at least 15 per cent in 2008 following on the 38 per cent increase officially recorded in 2007. Several new trends emerged, including more daylight air drops, flights following the Haitian-Dominican Republic border further north into Haiti before making drops and some planes being abandoned and burned once the drugs are offloaded, confirming the need for coordinated action against drug traf-

fickers throughout Hispaniola". "2009 International Narcotics Control Strategy Report", Bureau of International Narcotics and Law Enforcement Affairs, 27 February 2009, [www.state.gov/p/inl/rls/nrcrpt/2009/vo11/116521.htm](http://www.state.gov/p/inl/rls/nrcrpt/2009/vo11/116521.htm).

<sup>65</sup> Les Cayes is a main drug transit point. See Crisis Group Report, *Reforming Haiti's Security Sector*, op. cit.

<sup>66</sup> Training will be provided by UN coast guard officers from Italy, Jamaica and Grenada. Exchange programs for Haitians at the Maritime School for the Eastern Caribbean are also expected. Crisis Group interview, UNPOL, Pétion-Ville, 19 January 2009.

## A. RECOVERY AND RECONSTRUCTION

The 2008 hurricane devastation caused damages to Haiti's already weak infrastructure totalling \$159 million.<sup>67</sup> Though there is now an opportunity to launch a process that should not simply seek to rebuild the country but to make it better, safer and more just, the government and donors must ensure that early recovery efforts are tightly linked to reconstruction and dovetail with longer-term development.

First goals can only be attained if donors provide some \$3 billion, preferably in the short to medium term, to continue implementation of the PRSP and to carry out hurricane recovery and reconstruction efforts based on the results of the PDNA. Of the total \$4 billion required to implement the PRSP, only \$1.8 billion has been received; in addition, the PDNA, carried out with international technical and financial help, estimated total storm losses at close to \$900 million.<sup>68</sup> The PDNA, however, has to be translated into an operational plan with a clear strategy. Projects should be designed to rapidly and visibly improve living conditions for storm victims and those at risk of food insecurity.

Now that the overdue donor conference has been announced for April in Washington, efforts must be concentrated on agreeing and developing a strategy to quickly enlist the needed funds. With principal bilateral donors facing their own financial crises and evidence of donor fatigue appearing,<sup>69</sup> the government must set realistic fundraising goals regarding amounts, timeframes and purpose to ensure the conference is successful. It should also try to increase the number of donors; currently there are only seven principals.<sup>70</sup>

The development activities the Prével/Pierre-Louis government needs to undertake are long-term, so continuity by successors will be critical if they are to have the desired impact. Infrastructure, agriculture, the environment and tourism have been identified as priorities, but at the core of all efforts should be rapid generation of jobs in order to reduce poverty. On 15 January 2009, the UN gave the government a report outlining a strategy to rapidly attain economic security by combining humanitarian and development efforts through

job creation, basic services, food security and environmental sustainability. All this is meant to be aimed at quickly strengthening economic development, while providing a swift and high-impact response to the humanitarian crisis and reducing potential for renewed social unrest.<sup>71</sup>

A week earlier UNSRSG Hédi Annabi had told a press conference the report was expected to complement the PDNA and update the PRSP. The three documents together should form the basis for discussions at the April donor conference. If the UN strategy is approved and implemented, it could speed up and complement the government's priority actions to reduce social and economic inequalities, develop human capital and reduce environmental vulnerability and threats to public security as defined in its 2008-2009 roadmap.

Curbing unemployment is a key challenge. The anti-poverty strategy relies on job creation by reviving agriculture in the countryside and the once prosperous textile industry in urban areas,<sup>72</sup> the latter by utilising the free trade benefits in the U.S. market provided by

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<sup>67</sup> Infrastructure includes water and sanitation, electricity, transport and telecommunications. See PDNA report, op. cit.

<sup>68</sup> Crisis Group interviews, international financial expert and donor, Port-au-Prince, 10 December 2008.

<sup>69</sup> Crisis Group interviews, bilateral donor representatives, Port-au-Prince, 5 November 2008, 10 December 2008.

<sup>70</sup> These are the U.S., Canada, the EU, France, Spain, the World Bank and the Inter-American Development Bank. Crisis Group interview, IMF, Port-au-Prince, 9 December 2008.

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<sup>71</sup> Paul Collier, "Haiti: From Natural Catastrophe to Economic Security", Oxford University, 27 December 2008. Collier heads a research centre on development in fragile states. Crisis Group interview, Luiz Carlos da Costa, principal deputy UNSRSG, Pétion-Ville, 15 January 2009 and interviews, World Bank officials, Washington, D.C., 3 February; President Prével, 4 February; Prével economic advisers, 5 February; and Pierre-Louis economic advisers, 18 February. Collier was commissioned by the UN Secretary-General to consult in Haiti with the private and public sectors and design a strategy to illustrate to donors and investors that the country was still capable of growth. He identified eighteen-month priorities focusing on "jobs, basic services, food security and environmental sustainability" to underpin security that would constitute an economic bridging strategy between hurricane-related reconstruction and the more diffuse and longer term PRSP. That report, which apparently has received a positive initial response from the government, proposes mass creation of productive jobs via rebuilding infrastructure and expanding export zones near the Dominican Republic border and elsewhere, thus maximising HOPE Act benefits (see below), a development which also would reduce migration to Port-au-Prince. He advised ways to boost food production by rebuilding agriculture-related infrastructure and expanding farmer access to credit and land, to invest in high-value tree planting to reduce deforestation and to rapidly improve efficiency of the ports and electricity generation.

<sup>72</sup> Twenty years ago, when Haiti was one of the largest apparel suppliers in the Caribbean, its assembly plants, which also dealt with baseball paraphernalia, toys and electronics, employed more than 100,000 people. In 2007, that number was below 30,000. Crisis Group interview, government political consultant, 18 December 2008; Mike DeWine, "What Haiti needs: trade can help the country to its feet", *The Washington Post*, 9 September 2008.

the HOPE Act.<sup>73</sup> In addition to revitalising the textile industry, HOPE has potential for rapidly generating construction and other jobs at new industrial sites,<sup>74</sup> but to maximise this, the government must act swiftly to accommodate companies seeking to take part in the textile trade. The numbers of textile enterprises and employees doubled between 2006 and 2008,<sup>75</sup> but further expansion is constrained externally by the financial crisis and internally by Haiti's fragile stability and lack of infrastructure. Investors need at least two conditions: policy continuity and restored confidence.

In its efforts to reduce corruption to protect much needed public revenue and encourage investments, the government has sought to modernise the state apparatus, specifically economic governance. It has strengthened public finance management, including budgeting, internal audit and accounting, reviewed regulations for operations and functioning of public institutions and energized government procurement procedures. Not least important, parliament is expected to consider a corruption bill in 2009.<sup>76</sup>

Improved agriculture can both generate income and reduce food prices. The industry suffered \$198 million in losses in the devastation of the 2008 storms, 21 per cent attributable to infrastructure damage, 60 per cent to reduced vegetable production, particularly food staples.<sup>77</sup> Agriculture, which accounts for just over 25 per cent of the GNP, is the top priority in the proposed 2008-2009 budget,<sup>78</sup> but for it to prosper, investment is needed in related areas, such as the environment and

public works.<sup>79</sup> The industry's role in both food security and protection of the environment needs to be explained to the public, with discussion encouraged.<sup>80</sup> Because most agriculture is at subsistence level, small farmers must have access to credit, as well as incentives for planting high-value trees as part of a reforestation and watershed protection effort.

In its September 2008, Crisis Group encouraged government and donors, as a complement to classical security sector reform steps, to swiftly alleviate extremely harsh living conditions that fuel the violent social upheaval that remains one of the biggest threats to Haiti's fragile stability. It suggested consideration of conditional cash transfer programs (CCTs), intended to foster human capital accumulation among the poorest sectors. The pilot program recommended by an Inter-American Development Bank-supported feasibility study to encourage primary school attendance and enhance health care practices could be extended to include reduction in environmental vulnerability. The program has the potential not only to support and complement the re-launching of agricultural production but also to discourage rural exodus in the face of failing agriculture and encourage citizens to take responsibility for their community.<sup>81</sup>

## B. FOOD SECURITY AND ENVIRONMENT

Haiti's own production provides only 46 per cent of the country's food; imports account for 49 per cent, foreign aid the rest.<sup>82</sup> The U.S. Agency for International Development (USAID), a lead donor for such assistance, identifies three aspects of the country's food insecurity: access, use and availability.<sup>83</sup> Access to food, as to other basic needs, is constrained by weak economic growth, high unemployment and weak purchasing power. Inadequate use is associated with poor nutrition, lack of health care and sub-standard sanitation. Availability, perhaps the main factor, faces constraints related to insecure land tenure,<sup>84</sup> environmental vul-

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<sup>73</sup> "Haitian Hemispheric Opportunity through Partnership Encouragement" (HOPE), first passed by the U.S. Congress in December 2006, entered into force in March 2007. It seeks to stimulate economic growth in Haiti's textile industry by granting duty-free entry of apparel assembled in the country from fabrics produced in U.S. free trade or regional trade agreement partner states. Hope II (2008) extended the benefits from three to ten years and simplified trade laws to make Haiti more competitive with other U.S. suppliers. Crisis Group interview, Haiti executive, Port-au-Prince, 5 December 2008.

<sup>74</sup> By itself, the process to construct one industrial site generates several thousand jobs. Crisis Group interview, economic adviser CMO-HOPE, Port-au-Prince, 18 December 2008.

<sup>75</sup> Ibid. Estimates provided by the U.S. embassy on 15 December 2008 show 7,000 jobs created since HOPE became law.

<sup>76</sup> Pursuant to the the proposed legislative agenda developed at the seminar described in fn. 12 above.

<sup>77</sup> See "Bilan définitif des dégâts des dernières intempéries dans le secteur agricole", agriculture ministry, Natural Resources and Rural Development and CNSA, Port-au-Prince, 21 November 2008.

<sup>78</sup> "Le budget 2008-2009 atteint 100 milliards de gourdes", www.metropolehaiti.com, 24 December 2008.

<sup>79</sup> Crisis Group interview, government official, Port-au-Prince, 5 December 2008.

<sup>80</sup> The agriculture minister has complained that NGOs are to manage half agriculture's share of the proposed 2008-2009 budget.

<sup>81</sup> Crisis Group Report, *Reforming Haiti's Security Sector*, op. cit.

<sup>82</sup> Crisis Group interview, CNSA, Port-au-Prince, 24 October 2008.

<sup>83</sup> See "Food Security Programs in Haiti", USAID, www.usaid.gov/ht/docs/usaid\_haiti\_food\_security\_programs.pdf.

<sup>84</sup> Haiti's land tenure records are poorly organised and mostly unreliable. Disputes are not uncommon, particularly in the Artibonite, the largest rice-producing department. Governments

nerability, weak agricultural technology and practices and inadequate transportation and other infrastructure. Deforestation and soil erosion affects over 50 per cent of Haitian territory, which drastically undermines efforts to improve agricultural production.

Local food availability is expected to be even further reduced in 2009, due to the extensive damage caused by the 2008 storms to over 65 per cent of Haiti's arable land, and food prices will remain high. The July harvest of the crops planted in March 2009 will provide the first indication of how well agriculture has recovered from the 2008 disasters.<sup>85</sup> At least until then, emergency conditions prevail. The CNSA has identified nearly 207,000 persons at risk of severe food insecurity or famine;<sup>86</sup> altogether, as already noted, one third of the population will need food aid, primarily distributed by the World Food Programme (WFP).<sup>87</sup>

Improvement in food security will largely depend on major injection of capital directly into the agricultural industry and into the reconstruction of supporting infrastructure destroyed during the storms to create short and medium-term jobs that boost purchasing power of the poor majority. Financing of these government efforts as part of its early recovery strategy that will lead into longer-term reconstruction is foreseen through the PDNA, to which donors are expected to commit in April. In the interim, close coordination of funds already pledged by the U.S., the World Bank and others must be speedily disbursed and invested.

### C. POLICE AND JUDICIAL REFORM

Decisive justice and security sector reform measures remain essential if Haiti is ever to achieve sustainable political, social and economic stability. In particular,

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have not given the issue the attention it deserves. Crisis Group interview, political party representative from Gonaïves, Port-au-Prince, 17 October 2008.

<sup>85</sup> Crisis Group interview, CNSA, Port-au-Prince, 24 October 2008.

<sup>86</sup> Crisis Group interview, CNSA, Port-au-Prince, 19 December 2008. See "Les poches d'insécurité alimentaire aigüe et à risque de famine", CNSA, undated, at [www.cnsahaiti.org](http://www.cnsahaiti.org). Eighteen Haitians, including sixteen children, died of malnutrition in October 2008 in the South East Department. "Haiti Flash Info de la sécurité alimentaire, #36", CNSA and Famine Early Warning Systems Network (FEWS NET), October 2008.

<sup>87</sup> Crisis Group interview, WFP representative, Gonaïves, 21 October 2008. The WFP, struggling to meet worldwide needs, announced on 16 December that without an immediate injection of \$5 billion, it would run out of food for operations serving nearly 100 million, 1.4 million of whom are in Haiti.

vetting must be accelerated to ensure that the police are widely accepted as clean and therefore trustworthy. The force must still be purged of corrupt officers, because the growth in public confidence, while perceptible, remains fragile. Both the HNP and MINUSTAH must work to eliminate bottlenecks in the process and agree on procedures for certifying those already vetted and for clearly communicating that those who fail will be removed.<sup>88</sup> In parallel, the government should renew its efforts to improve the judiciary by pressing the Superior Judicial Council to establish standards for and monitor judges, expanding use of the serious crimes chamber and significantly reducing overcrowding in prisons.<sup>89</sup>

President Préval's launch on 19 February of the Presidential Commission on Justice Reform is expected to speed up change and give a more inclusive approach to the process. According to Micha Gaillard, coordinator of the commission, which has a twelve-month term, its role is to mobilise resources and expertise from all sectors, since the state is not capable of resolving the challenges single-handedly.

## V. INTERNATIONAL COOPERATION

In the aftermath of the disastrous 2008 storms, President Préval said Haiti needed not charity but aid that was better fitted to sustainable development goals.<sup>90</sup> As donations came in only slowly in response to the UN-led flash appeal launched on 11 October 2008, however, and donors complained of fatigue and inability to mobilise additional funds rapidly in the midst of the global financial crisis,<sup>91</sup> national and international media began to question the international commitment to Haiti. Further questions were raised when the out-

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<sup>88</sup> 2,000 of 5,000 case files have been completed, but no certificates have been issued as of February 2009. Crisis Group interview, UNPOL, Pétion-Ville, 19 January 2009.

<sup>89</sup> See Crisis Group Report, *Reforming Haiti's Security Sector*, op. cit.

<sup>90</sup> Crisis Group interview, economic adviser to the presidency, Port-au-Prince, 10 October 2008. Préval made similar, though more generalised, points in his address to the UN General Assembly on 26 September 2008.

<sup>91</sup> Crisis Group interviews, resident donor representatives, Port-au-Prince, 5, 7 November 2008. The UN launched a flash appeal on 10 September 2008 following the devastation of four storms that affected nearly one million persons and washed away livelihoods as well as much of the country's infrastructure and agricultural production. The response was lukewarm. Sixteen days later, when Préval addressed the UN, pledges had been received for only about 14 per cent of the requested funds.

going Bush administration in the U.S. first delayed its response and then refused in December 2008 to grant Temporary Protected Status (TPS) to Haitians residing illegally in that country.<sup>92</sup>

The Organisation for Economic Cooperation and Development (OECD) ranked Haiti 39th among net official development assistance (ODA) recipients in 2007, with \$701 million, an increase from \$580 million in 2006.<sup>93</sup> In 2008, Haiti was the top recipient (\$403 million) of USAID funding in Latin America and the Caribbean.<sup>94</sup> Canada, the next largest donor, has committed to allocate \$459 million between 2006 and 2011, making Haiti the leading recipient of Ottawa's long-term development aid in the region and second worldwide.<sup>95</sup> But Haiti, as noted above, needs to raise \$3 billion to implement its social and economic development strategy for 2008-2010, as well as to carry out its post-hurricane emergency recovery, reconstruction and rehabilitation program.<sup>96</sup> And this at a time when ODA could be reduced by up to 30 per cent, as donors turn attention inward.<sup>97</sup>

Constraints on donors are real, but so are Haiti's needs and the risk that if the money to sustain this decade's provisional and limited progress is not given, the eventual cost of dealing with a collapsed state will be much higher. In an environment where every dollar must count, aid should be tailored to the government's development program, with a view to advancing national ownership. The democratically elected government must be credible to its destitute and desperate population in order to foster the consensus needed to sustain programs. Faced with weak government institutions and crises, donors have frequently gone around the state to work with NGOs. However, institution building must be a fundamental objective. Donor projects need to include knowledge transfer. Likewise, to facilitate aid coordination, donors should help the government keep track of foreign NGOs by ensuring

the organisations they partner with are registered, and their projects adhere to the development program.

Many donors are still trying to determine how to work effectively in Haiti due to the government's weak absorption capacity.<sup>98</sup> There is currently a risk that they could go into the donor conference with the same undetermined mindset.<sup>99</sup> Now that the PDNA has been completed, the government must demonstrate that it has the capacity to implement it transparently. But to attract and retain donors it also needs to define and apply a comprehensive strategy, based on sustainable development and poverty reduction, that should seek not merely to reconstruct Haiti but also to transform it into a safer and more stable nation. Part of this will be to consult extensively with political and civil society to review the PRSP and ensure that it reflects the post-disaster and food insecurity situation and takes account of the early recovery assistance provided by donors prior to the completion of the PDNA.

The immediate international response to the 2008 crisis has been to meet basic survival needs and restore essential public services. However, as laid out in the PDNA the government produced with technical donor help, the phases of early recovery and subsequent reconstruction should be given equal importance. The risks of floods and mudslides remain, and the next hurricane season is only months away. Immediate measures are required to reduce the scale of future disasters, provide opportunities for sustainable livelihoods and complement measures being taken to increase food security and health care, particularly, in areas at risk of severe food insecurity.

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<sup>92</sup> The U.S. granted a three-month reprieve on deportations following the August-September storms but in December formally refused President Préval's 7 February 2008 request.

<sup>93</sup> Data available at [www.oecd.org/dataoecd/52/12/1893167.xls](http://www.oecd.org/dataoecd/52/12/1893167.xls).

<sup>94</sup> Crisis Group interview, USAID resident representatives, Port-au-Prince, 10 December 2008. The figure includes humanitarian relief following the hurricane.

<sup>95</sup> Crisis Group interview, CIDA resident representatives, Port-au-Prince, 7 November 2008.

<sup>96</sup> According to the PDNA, \$763.26 million is needed: \$268.91 for early recovery, \$494.35 million for reconstruction.

<sup>97</sup> Donald Steinberg (Crisis Group Deputy President), "First Lehman Brothers, Next Liberia?", *The Globalist*, 26 January 2009.

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<sup>98</sup> Crisis group interview, senior French foreign ministry official, Paris, 17 November 2008.

<sup>99</sup> Crisis Group interview, resident donor representative, Port-au-Prince, 5 November 2008. See also Collier, *op. cit.* That report, recognising the legitimate need for government ownership and donor unease about putting all post-hurricane reconstruction funds through the central ministries, suggested expansion of the Independent Service Authority (ISA) concept, in which a quasi-independent government agency coordinates and co-funds NGO and private sector service delivery. The government has a majority on the board but the entity is not hamstrung by the restrictions on ministries. Donors and other relevant actors also sit on the board. The ministries would set overall public policy, but the ISA, somewhat like an independent central bank, would actually deliver services. In Haiti, where, for example, 85 per cent of education is mostly conducted by inefficient, usually poor-quality and privately-run schools, an education ISA could give the government greater regulatory authority over those schools at the same time as they, along with ministry-run schools, received new funds for teacher training, classroom improvements and equipment.

The U.S., which has \$96 million available for it, should immediately launch its Haiti Integrated Growth through Hurricane Emergency Recovery (HIGHER) program. Focusing on cash-for-work programs, \$54 million will be allocated to restoring public services and livelihoods and rebuilding infrastructure, particularly farm-to-market roads.<sup>100</sup> The government's immediate need is to fill the 2008-2009 national budget gap of \$75 million, which President Préval in his February trip to Washington raised with the new Obama administration. Préval was the first head of state to meet with Secretary of State Hillary Clinton, who assured him of the administration's special concern for Haiti. President Barack Obama's reported invitation to Haitian-born Canadian Governor General Michaëlle Jean to continue discussions on Haiti could signal a unique opportunity for a joint approach to aid by the country's two top donors.<sup>101</sup>

The IMF announcement of some \$35 million in assistance following Préval's visit to Washington, while not immediate cash, will help close the budget deficit.<sup>102</sup> Though the U.S. has not provided direct budget aid, the new administration should take into consideration the country's current crisis and assist in filling the remaining \$40 million gap. Canada's priorities in Haiti are strengthening good governance, helping to build open and responsible government, fighting corruption and restoring the rule of law.<sup>103</sup> While not neglecting its humanitarian assistance in food aid and agricultural production, it should continue to focus also on border control and modernisation of the state apparatus for tax collection, which are both necessary for security sector reform.

Haiti has considerably improved its capacity to cope with natural disaster. Its early warning system, strengthened since Tropical Storm Jeanne killed some 3,000

persons in 2004, helped reduce fatalities in 2008 to less than 1,000. Better preparedness and mitigation capacity are now needed. In addition to making use of assistance planned by USAID and the Inter-American Development Bank,<sup>104</sup> Haiti could to mutual benefit share experiences and prepare for natural disasters in cooperation with its regional counterparts, Mexico, the Central American countries, Cuba, Venezuela, the Dominican Republic and the Caribbean Community (CARICOM), which all face yearly hurricane threats.<sup>105</sup> It has been isolated for too long from Caribbean region cooperation and development, and opportunities for partnerships should be pursued. For instance, it would be important for CARICOM to ensure Haiti's participation in its Single Market and Economy in 2009 as planned.<sup>106</sup>

In a year when the country's long-time principal Western donors are facing economic challenges of their own, the Haitian government will need to seek additional sources of funding. The agriculture technology transfer project and assistance in energy infrastructure announced by Brazil, the largest MINUSTAH troop contributor, are encouraging signs that its aid will

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<sup>100</sup> The U.S. Congress provided these funds despite the absence of a request from the Bush administration, following the 2008 storm devastation. Others areas to which USAID is expected to apply them include strengthening disaster preparedness and mitigation capacity and watershed stabilisation and repair. Crisis Group interview, USAID senior officials, Port-au-Prince, 10 December 2008.

<sup>101</sup> "Obama wants to keep talking Haiti with Jean", CTV.ca, 21 February 2009, [www.ctv.ca/servlet/ArticleNews/story/CTVNews/20090221/jean\\_obama\\_090221/20090221?hub=TopStories](http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20090221/jean_obama_090221/20090221?hub=TopStories).

<sup>102</sup> Crisis Group interview, Haitian delegation, Washington, DC, 5 February and 18 February 2009. The IMF has agreed that Haiti could reduce otherwise required payments this year, without penalty, which will assist in closing the budget gap.

<sup>103</sup> Crisis Group interview, Canadian International Development Agency (CIDA) senior officials, Port-au-Prince, 7 November 2008.

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<sup>104</sup> Crisis Group interviews, USAID senior officials, Port-au-Prince, 10 December 2008 and International Development Bank (IDB) environment expert, Port-au-Prince, 4 February 2009. USAID has allocated \$3.5 million of the HIGHER program funding to strengthening disaster preparedness and mitigation capacity. IDB is financing a \$5 million project to set up a disaster alert system in 66 of Haiti's 140 communes, which will be executed by the ministry of agriculture and the government's civil protection department.

<sup>105</sup> For example, the three-day summit on tourism and disaster management of the Association of Caribbean States hosted in January 2009 by Haiti, which at present heads the organisation. The convention establishing the Association of Caribbean States (ACS) was signed on 24 July 1994 in Cartagena de Indias, Colombia, with the aim of promoting consultation, cooperation and concerted action among all the countries of the Caribbean, comprising 25 member states and three associate members. The objectives are based on strengthening the regional cooperation and integration process, with a view to creating an enhanced economic space in the region; preserving the environmental integrity of the Caribbean, which is regarded as the common patrimony of the peoples of the region; and promoting the sustainable development of the Greater Caribbean. [www.acs-aec.org/about.htm](http://www.acs-aec.org/about.htm).

<sup>106</sup> On the CARICOM Single Market and Economy, see [www.caricom.org/jsp/single\\_market](http://www.caricom.org/jsp/single_market). CARICOM has sought to include Haiti's participation since it established an office on the island in 2007, but certain requirements, such as establishment of a bureau of standards must first be met. Though work on the bureau of standards was made difficult by the five-month political impasse in 2008, it is nearing completion. Crisis Group interview, senior CARICOM official, Port-au-Prince, 18 December 2008.

extend beyond the emergency help provided last year. President Préval has also been successful since his inauguration in garnering support from Cuba and Venezuela, principally in energy, infrastructure and health care, as well as from the traditional donors. But he will need to continue to expand the donor base.

Switzerland and Norway could be important prospects. Switzerland transformed its consulate into an embassy in 2007, which could signal opportunities to energise development cooperation and humanitarian assistance. It also recently announced a decision to return \$6 million to Haiti seized from accounts linked to the former dictator, Jean-Claude “Baby Doc” Duvalier, to be used transparently for social and humanitarian projects through aid organisations.<sup>107</sup> In December 2008, the International Peace Research Institute, Oslo (PRIO) prepared a report to the Norwegian foreign ministry on conflict prevention in Haiti.<sup>108</sup> It includes policy recommendations to improve rural and urban living conditions and support Haitian institutions for conflict management and community initiatives for conflict prevention. The Norwegian government should be encouraged to pursue those recommendations and provide technical and/or financial support for related actions within the framework of the Préval/Pierre-Louis administration’s 2008-2009 strategy and PRSP implementation.

perately poor majority, the government also needs to build a broad national consensus by reaching out even more than in the past months to parliament and civil society. Likewise, the institutional reforms begun in 2006, especially with respect to the police, judiciary and prisons, are fundamental and should be advanced with great determination by the authorities, civil society, MINUSTAH and the donor community alike.

**Port-au-Prince/Brussels, 3 March 2009**

## VI. CONCLUSION

Haiti’s political, social and economic situation remains fragile, and the Préval/Pierre-Louis administration has to act swiftly if recent gains in stability are not to be at risk. The donor conference, now scheduled for April 2009, is important since it will largely determine whether the government can meet the expectations of the country’s poor and avoid further – potentially violent – unrest. Senate elections that same month and the constitutional reform debate shortly after will set the political tone for reconstruction and development efforts during the remainder of the year. Excluding a significant party from those elections would sound precisely the wrong note to begin Préval’s third year in office.

To keep Haiti on course, making headway with development and improving the living conditions of its des-

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<sup>107</sup>“Swiss to return \$6 million from Haiti’s dictator family”, Associated Press, 12 February 2009, <http://usatoday.printthis.clickability.com/pt/cpt?action=cpt&title=Sw> .

<sup>108</sup> Wenche Hauge, Allan Gilles, et al., “Conflict Prevention in a DDR Context in Haiti”, International Peace Research Institute, Oslo, December 2008.

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